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U. S. Representative Elijah Cummings Joins State and Local Transportation Officials and Housing Partners to Launch Smart Commute Initiative; New Incentives Help Baltimore Home Buyers Purchase Homes Near Public Transportation

BALTIMORE, MD – Baltimore residents now have important financial incentives to purchase a home near public transportation. The Baltimore Smart Commute Initiative gives prospective home buyers the opportunity to qualify for a mortgage with the help of savings realized from using public transportation. U.S. Representative Elijah Cummings (D-MD) today joined state and local transit providers, participating lenders, housing partners and Fannie Mae (FNM/NYSE), the nation's largest source of financing for home mortgages, to launch the new initiative at the Camden Yards Transit Station.

Local public and private partners collaborating on the Baltimore Smart Commute Initiative include: Chevy Chase Bank/B.F. Saul Mortgage; SunTrust Mortgage, Inc.; Municipal Employees Credit Union of Baltimore (MECU); the Maryland Department of Transportation – Maryland Transit Administration (MTA); Maryland Department of Planning; the city of Baltimore Department of Housing and Community Development; the Greater Baltimore Board of Realtors; the LiveBaltimore Home Center; and Fannie Mae.

"The Smart Commute initiative Initiative is a true partnership among public and private sectors to help more individuals and working families buy homes, reduce traffic congestion and sprawl, and create healthier, more livable communities," said Representative Cummings. "Enhanced housing affordability combined with convenient commuting is a winning proposition for Baltimore."

The Smart Commute Initiative addresses the link between housing affordability and transportation costs, and recognizes that homeowners who spend less on commuting expenses can put the potential savings toward the purchase of a home. If eligible home buyers choose a home within a half-mile of a rail station or a quarter-mile of a bus stop within Baltimore's city limits, participating lenders will add a portion of their potential transportation savings to their qualifying income -- which could increase their home-buying power and help them buy more home for their money.

Chevy Chase Bank/B.F. Saul Mortgage Company, SunTrust Mortgage, Inc., and MECU will originate the mortgages under the Smart Commute Initiative, and Fannie Mae will purchase the eligible loans of up to \$322,700.

"The Maryland Transit Administration is pleased to be associated with Fannie Mae and the Smart Commute Initiative," said MTA Administrator Robert L. Smith. "Transit services provide a relaxing alternative to fighting traffic congestion on the way to employment, education or entertainment destinations. Now, with the Smart Commute Initiative right here in Baltimore, people in our city can take advantage of living closer to transit opportunities, while saving money on a new home."

Transportation costs are the second largest expense after the mortgage or rent expenses for many households – and can exceed housing expenses in some cases. Purchasing a home near public transit and using bus or rail service instead of a car to commute can help home buyers save a significant amount of money on travel expenses and the upkeep of a personal vehicle. It can allow homeowners to reduce, or even eliminate, the expense of owning and maintaining a vehicle by using public transportation.

"Promoting homeownership in neighborhoods around public transportation is good for Baltimore," said Paul T. Graziano, Baltimore City Housing Commissioner. "Promoting the use of public transit is also good for our environment, our roads, and our local infrastructure. I commend all the partners who made this possible and I'm excited about the opportunities for working families to achieve their homeownership goals."

The advantages of purchasing a home through the Smart Commute Initiative are:

- * For loan qualification purposes, participating lenders will add a portion of the potential transportation savings to borrowers' qualifying income – an addition of \$200 per month for one wage-earner households and \$250 per month for two wage-earner households – which could increase the home-buying power of a typical purchaser of a median-priced home by approximately \$10,000;

- * Low down payment of only 3 percent on the purchase price of the home or as little as \$500, depending on borrower's income eligibility;

- Enables home buyer to reduce or eliminate the expense and upkeep of a personal vehicle; and, Benefits the environment by allowing the home buyer to conserve natural resources, lessen impact of vehicular emissions, and reduce traffic congestion.

"Fannie Mae's mission is to lower the costs that can put up barriers to homeownership," said David Elam, vice president of housing and community development for Fannie Mae. "With the addition of Baltimore and the Washington, DC area where Smart Commute was launched last month, we are now piloting this new initiative in 12 nine cities across the country to help more individuals and working families invest their transportation savings into homeownership."

Borrowers may be required to complete home-buyer education. To determine eligibility and apply for a mortgage loan through the Smart Commute Initiative, consumers may contact Chevy Chase Bank/B.F. Saul Mortgage at 1-888-287-2059; SunTrust Mortgage at (410) 986-1612; or Municipal Employees Credit Union of Baltimore, Inc. (MECU) at (410) 752-8313 or (410) 823-3300. More information on the Smart Commute Initiative is available on the Internet at www.LiveBaltimore.org. To confirm the locations of neighborhoods served by public transit, consumers may call (410) 539-5000, toll free 866-RIDE-MTA, or visit www.mtmaryland.com.

For information on Fannie Mae's affordable mortgage products, consumers may call Fannie Mae's Consumer Resource Center at 1-800-7FANNIE (1-800-732-6643), Monday through Friday, 9:00 a.m. to 5:00 p.m. EDT.

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Fannie Mae is a New York Stock Exchange company and the largest non-bank financial services company in the world. It operates pursuant to a federal charter and is the nation's largest source of financing for home mortgages. Fannie Mae is working to shrink the nation's "homeownership gaps" through a \$2 trillion "American Dream Commitment" to increase homeownership rates and serve 18 million targeted American families by the end of the decade. Since 1968, Fannie Mae has provided \$5.2 trillion of mortgage financing for more than 55 million families. More information about Fannie Mae can be found on the Internet at <http://www.fanniemae.com>.

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